

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2433 - HB 2717

February 6, 2012

SUMMARY OF BILL: Requires the Commissioner of Finance and Administration to certify the amount of surplus state tax revenue collected in the prior fiscal year by August 15 of each year. Requires 50 percent of any certified surplus be allocated to the reserve for revenue fluctuations (rainy day fund) until the balance of the rainy day fund, at the beginning of a fiscal year, totals seven percent or more of the estimated state tax revenue that will be allocated to the general fund and the education trust fund for that year.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – For fiscal years in which a surplus is certified, and the balance of the rainy day fund, at the beginning of the current fiscal year, is below seven percent of estimated state tax revenue that will be allocated to the general fund and the education trust fund, there will be a one-time allocation equal to 50 percent of the certified surplus to the rainy day fund. For fiscal years in which no surplus is certified, or for fiscal years in which a surplus is certified, but the balance of the rainy day fund, at the beginning of the current fiscal year, exceeds seven percent of estimated state tax revenue that will be allocated to the general fund and the education trust fund, the fiscal impact is not significant.

Assumption:

- The fiscal impact of this bill is dependent upon the extent of surplus revenue certified for any given fiscal year and the balance of the rainy day fund at the beginning of each fiscal year. Given these unknown factors, a precise fiscal estimate cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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